

TODAY India has a highly efficient and gigantic railway network encompassing the entire nation! This Indian Railways began in humble surroundings in April, 1853. Since then the Railways grew but not in the atmosphere of public utility or national development; rather to further colonial exploitations. Thus British built the Railways with colonial methods undermining the interest of the native population. This article aims to understand the subtle policies and politics of colonial rulers behind the introduction of the Railways!

The British pondered over the introduction of the Railways in India in 1831-32, that is, 28 years after the ushering in of the railway era in England! The British looked towards India as a source of raw material and a ready market for British finished product. In the first half of the nineteenth century Sir Charles Wood, President of the Indian Board, suggested that if larger supply of cotton could be drawn from India, it would serve the colonial purpose in a great way. In 1848 MacDonald Stephenson made a proposal for railway line from Calcutta to the North-Western Frontier. In the same year Manchester and Glasgow Chambers of Commerce strongly advocated the need of Railways in India for export of cotton from Bombay. Moreover Lord Dalhousie saw in the Railways of India the best field for investing that capital.

Other than the Commercial need of the colonial ruler the administrative reasons too encouraged the British to introduce the Railways in India. In 1848 Lord Hardinge, the then Governor-General, wrote in support of railway development that in India the facility of rapid concentration of infantry and artillery and stores might lead to the cheap preservation of insurrection which would lead to the safety of the empire. In this regard the brain-child of the Indian Railways, Lord Dalhousie, thought that "railway would provide increased facilities for administration and greater mobility to the military forces over large distances and thus strengthen the British hold over the colony". With the uprising of 1857 the British became more concerned about the rapid growth of the railway's development.

The era of the Indian Railways was ushered in with the laying of 32 kilometres of line between Bombay and Thane in 1853. The first run was engineered by three engines which towed fourteen coaches and was flagged off from Bombay on April 16, 1853 by the then Chief Justice of Bombay.

The blue-print of the Indian Railways was spelled

out in a celebrated minutes of Lord Dalhousie on April 29, 1853 which guided the spirit of massive development of the Railways. In this minute he favoured the private agencies to construct railway lines. Thus the East India Railway Company and the Great Indian Peninsula Railway Company were engaged to promote railway enterprise. With this large sum of capital investment from England followed who were to get assured return under the newly coined 'guarantee system'. In this regard the famous economist A.I. Medovoy observed that "the private British firms which built the railways were guaranteed by the colonial administration a four to five per cent dividend on their capital ... on the total capital spent".

Under the 'guarantee system' eight companies were engaged to build the railway. Those were East India Railways (1853); the Great Indian Peninsula Railway (1853); the Sindh Punjab of Delhi Company (1855); the Eastern Bengal Railway Company (1857); the Bombay, Baroda and Central India Railway (1855); and the Madras Railway Guaranteed Company (1853). These eight companies undertook to lay 5000 miles of railway line in India especially to facilitate raw material export.

Dr N. Sanyal had rightly summarised that "the Indian 'guarantee system' killed efforts for economy, promoted recklessness and involved the country in liabilities beyond what the people could bear". The Russian economist has substantiated by saying: "In the process, almost £10 million were transferred annually to Britain in repayment of the railway debt".

Karl Marx had clarified why the Indian economy and the industrial process could not synchronise with the development of the Railways. He said: "You cannot maintain a net of railway over an immense country without introducing all those industrial process necessary to meet the immediate and current wants of railway locomotion, and out of which there must grow the application of machinery to those branches of industry not immediately connected with the railways."

Dr P. Shah commented upon the 'guarantee system' thus: "One of the results of this was that the cost of construction of lines originated estimated at £9000 per mile for single lines and £13,000 for double lines worked out at £20,000 per mile!" Furthermore, Dr Shah said that the East India Railway had incurred a cost of £30,000 per mile. Thus the cost of construction had risen high enough.

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and the Government of India had to pay about £13.5 million by 1868 to make good the guaranteed interest.

Thus the 'guarantee system', which remained in vogue for 20 years, came under heavy criticism and public opinion in England too was highly critical of the system. The British administration under Lord Lawrence took up the charge of construction of railway from 1869-81 which was ultimately termed as 'a very slow progress' as the mileage the state gained in eleven years was limited to 3297 miles. In a comparative statement it can be stated that average return from the railway laying yielded only 2.15 per cent whereas private companies could gain a return upto 6.20 per cent.

In 1882, when the colonial administration had run into depression, the task of development of the Railways was again given to the private agencies under the system 'New guarantee system' which worked on lease for 25 years. Yet the Government armed itself with more powers to control these private agencies. This yielded results as by 1900 the railway line had increased its mileage from 10,069 miles to 24,752 miles of iron path.

All these developmental efforts culminated in a positive gain for the colonial rulers as one can see even in the initial years of the railways, raw cotton exports increased from £1.8 million in 1849 to £4.3 million in 1858. Administratively the control of the British over India was further strengthened. The efficiency of the army and civil administrations

on which the Crown sustained its supremacy had increased.

In 1905 the Railway Board was established and its power was enhanced in 1908 and the Railway Department was set up independent of the Ministry of Commerce and Industry. From the records it is gathered that by 1914 the Railways covered 34,659 miles. Furthermore by 1930 it reached 41,724 miles.

In September 1924 railway finance was separated from general finance and in this year a sum of Rs 150 crores was allocated for railway expenditure and with it the Indian Railway efficiency was enhanced. By 1930 it carried 634 million passengers and freight weighing 91 million tonnes.

Noted historian Dr Parasraj Shah had analysed the war time railway economics and wrote: "The Gross traffic receipts rose from Rs 94 crores in 1938-39 to Rs 226 crores to the general revenue over 1939-46. The railway revenue fund also increased by Rs 76 crores over the same period."

At the time of transfer of power India had 35 railway companies operating countrywide and connected by a network of railway stations numbering more than thousand. Many coach factories were built, which facilitate the growth of the Railways indigenously. Although the construction of the Railways had greatly affected India's economic development but the British unconsciously paved the path for the future development of the Railways in spite of the fact that good wishes were backing from the side of the colonial British. And all these led to the establishment of a new economic order within the country which was revamped and streamlined in the post-independence period. □